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Israel

Oilseeds and Products

Annual

2001

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Report Highlights:
MY 1999 ended with large stocks of soybeans, a precaution against Y2K problems. The increased oil production in 2000 weighed heavily on the market and depressed prices in CY 2000 and 2001. Feedmills have declared their intention to increase Hi Pro - 48% soymeal imports. Growing per capita consumption of poultry meat should raise total soymeal consumption in the medium term.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Cairo [EG1], IS

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Executive Summary

In CY1999 the trade reported large grain and soybean end of year stocks accumulated mainly to avoid potential Y2K supply problems. However, there is little statistical evidence to support this.

Meal imports, although still relatively small, have reached a record high, climbing from 51 tmt in CY1999, to over 70 tmt in CY2000. Meal purchases can be expected to grow following the tariff reduction on protein meal which became effective January, 2001.

Following a 25 percent drop in 1998, the market share of American soybean imports returned to 92 percent in CY1999, and remained high in CY2000. Soy oil (125 tmt), rapeseed oil and sunflower oil are the three main oils produced or refined in Israel. Oil imports (crude and refined) in 2000 are estimated at some 48,000 mt.

The broiler industry continued its growing trend through 2000. A large variety of broiler products was processed and greater quantities of broiler meat were produced. Large investments in marketing, including branding of chilled products, combined with the effect of BSE on the demand for beef in Europe, have stimulated broiler demand. The increased broiler production raised the consumption of oil meals.

In the course of 2001 the Ministry of Health can be expected to issue regulations regarding its policy of genetically modified organisms (GMO) in food. The committee studying the issue reportedly tends towards adoption of the EU approach with respect to positive labeling. More important for U.S. exporters, Israel's many exporters of processed food and agricultural products to Europe must adhere to the European standard which dictates a maximum level of one percent GMO in any food. Those regulations will probably not have a serious effect on feed imports because they concern finished products, not livestock feed. The human soy food industry imports only non-genetically-modified products anyway and in small quantities relative to the feed industry.

Total Oilseeds

PSD Table						
Country:	Israel					
Commodity:	Soybean					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	3	3	3	5	10	18
Production	0	0	0	0	0	0
MY Imports	636	636	645	679	0	530
MY Imp. from U.S.	551	551	625	625	0	525
MY Imp. from the EC	85	107	20	0	0	0
TOTAL SUPPLY	639	639	648	684	10	548
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	625	625	625	650	0	520
Food Use Dom. Consump.	10	8	12	15	0	11
Feed Waste Dom.Consum.	1	1	1	1	0	2
Total Dom. Consumption	636	634	638	666	0	533
Ending Stocks	3	5	10	18	10	15
TOTAL DISTRIBUTION	639	639	648	684	10	548
Calendar Year Imports	657	657	520	657	0	645
Calendar Yr Imp. U.S.	608	608	470	608	0	633
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Production

In Israel, there is no production of oilseeds for crushing. Sunflowers and peanuts are produced for confectionery; all oilseeds for crushing are imported. This condition is not expected to change as production for crushing is not economical, mainly due to Israel's serious water shortage. Given the continued partial drought and the decline in agricultural production caused by a 50 percent average cut in irrigation quotas, it is possible that imports of confectionery peanuts and sunflower seeds for domestic consumption may develop instead of the present production for export.

Consumption

The consumption of oilseeds is derived from the demand for oil meals for livestock and poultry. Annual consumption of oilseeds by crushers is very close to total crushing capacity in Israel. In 1999, the total quantity of feed sales increased by 7.4 percent. Three livestock sectors (broilers, turkeys and dairy cattle) are responsible for the higher demand. Preliminary estimates indicate continued growth of oil meal sales to that sector.

Table 1. Oilseeds - Summary (tmt)

Marketing Year *	1998	1999	2000	2001 forecast
Domestic Production	30	22	22	15
Imports: Soybean	515	636	679	530
From the U.S.	408	551	625	525
U.S. share %	79	87	92	96
End of year stock	3	5	18	15
Sunflower and rapeseed imports	44	58	40	50
Domestic Soybeans Crush	526	625	625	520

Source: Ministry of Agriculture (MOA).

* Oilseed marketing year: 1 Oct - 30 Sept

Trade

Exports

The only exports in 1999 were 8,255 tons of confectionery peanuts (9,542 tons in 1998) and about 7 tmt of confectionery sunflower seeds.

Imports

In CY2000 the U.S. accounted for 92 percent of soybean imports. Sunflower seeds for crushing and rape generally are imported from Eastern Europe. Israel's three main crushers usually join forces in soybean imports. All three claim they make a very small margin with U.S. beans, and intend to look for new, lower cost sources. In addition, domestic production has to compete with soy meal and other meal imports on which they claim import tariffs are "too low". In 2000 after having learned a painful lesson from problematic Argentinean shipments of the previous years, the crushers raised the quality specifications of their requests for offers well above what Argentinean suppliers could meet. Accordingly, the source of most beans was the U.S. The importers claim that they are willing to pay a premium of up to five dollars CIF for the American bean quality and dependability of supply.

Feed millers also import a certain quantity of soybean meal each year to keep the crushers under competitive pressure. Imported corn is used for livestock feed. An additional 70-100,000 tons of unmodified corn are used as raw material for the food and starch manufacturing industries.

Import Trade Matrix			
Country: Israel		**Units:**	**metric tons**
Commodity: Soybean			
Time period:	**I -XII**		
Imports for	**1999**		**2000**
U.S.	**632,077**	**U.S.**	**549,000**
Others		**Others**	
Argentina	**18362**	**Argentina**	**0**
Romania	**6,464**	**Romania**	**0**
Netherlands	**0**	**Netherlands**	**0**
Total for Others	**24826**		**0**
Others not listed	**0**		**3,000**
Grand Total	**656903**		**552000**

Israel
Trade Matrix - Rape seed
Units: $ '000

Country of Sale	**CY1998 - $'000**	**CY1999 - $'000**	**1999 - mt**
Romania	3,012	15,157	0
Russia	0	0	0
France	2,503	9,425	11,155
United Kingdom	2,066	8,500	15,625

Ukraine	743	2,609	0
Other	124	630	8,295
Total	**8,448**	**36,323**	**35,075**

Genetically Modified Products

The government of Israel appointed two committees to determine an official GMO policy: one chaired by the Ministry of Health and the second by a representative of the Plant Protection and Inspection Service of the MOA. The PPIS committee has not completed its deliberations yet; the MOH committee decided to adopt the European labeling standard on GMO's. This requires the labeling of any product that contains more than one percent of any GM component.

Trade policy

In CY2000 there was a duty-free quota of 2,251 mt of confectionery sunflower seeds of U.S. origin. This quota is shared between Israeli and Palestinian importers. In 2001 the quota is 2,319 mt. All oilseeds for crushing are exempt of duty. Duties on sunflower seed in 2001 are treated as follows:

Heading	Description	MFN Tariff	EU and EFTA
12.06.1010/0	For which the Director General of the Ministry of Industry and Trade confirmed that they are for oil processing	Exempt	Exempt
12.06.1020/9	For which the Director General of the Ministry of Industry and Trade confirmed that they are for birdfeed	Exempt	Exempt
12.06.1040/7	The value of which does not exceed NS 3.70/kg	NS 3.7/ kg BNM than 139%	NS 3.7/ kg BNM than 139%
	of U.S. origin	NS 3.3/kg BNM than 125%	
12.06.1090/2	Others	NS 1.11/kg + 20%	NS 1.11/kg + 20%
	of U.S. origin	NS 1.00/kg + 18%	

Source: Israel Customs Tariff, 2001

Note: BNM = but not more

Implications for U.S. exporters

Growing meal imports may lead to bean and other grain imports from the same sources simply out of logistics considerations. It will become increasingly important for U.S. exporters to maintain contact and good relations with the Israeli crushing industry and Israeli feed millers who are clients of Israeli

crushers as well as potential future clients of U.S. soymeal exporters. The main selling point of U.S. grains is quality of the product and reliability of supply. Investment in its promotion among Israeli livestock and poultry nutritionists appears to be an effective use of market promotion funds to tie this lucrative market to U.S. suppliers.

Oil Meals

PSD Table						
Country: Israel						
Commodity: Soybean Meal						
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	625	625	625	650	0	520
Extr. Rate	0.816	0.816	0.824	0.7923	ERR	0.8346
Beginning Stocks	15	15	5	5	4	5
Production	510	510	515	515	0	434
MY Imports	40	40	70	60	0	120
MY Imp. from U.S.	33	33	53	53	0	75
MY Imp. from the EC	7	7	17	17	0	5
TOTAL SUPPLY	565	565	590	580	4	559
MY Exports	0	0	15	15	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	3	3	3	3	0	2
Food Use Dom. Consump.	556	556	567	556	0	552
Feed Waste Dom.Consum.	1	1	1	1	0	1
Total Dom. Consumption	560	560	571	560	0	555
Ending Stocks	5	5	4	5	4	4
TOTAL DISTRIBUTION	565	565	590	580	4	559

Calendar Year Imports	51	51	75	51	0	75
Calendar Yr Imp. U.S.	38	38	58	38	0	58
Calendar Year Exports	0	0	0	0	0	15
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Production

Oil meal production is geared to livestock and poultry consumption, limited by crushing capacity and complemented to a minor degree by imports. The crushing plants cannot satisfy the growing demand for Hi Pro 48 percent meal. Most of the crushers produce only 44 percent soy meal. Hi-Pro meal is still produced only by one crusher and this is also by old inefficient equipment. This crusher is now investing mainly in expansion of crushing capacity. There were no developments in full fat soy production. One feedmill has installed equipment but it is used only for producing fish feed. Israelis prefer soapstock, which costs less and is readily available.

Table 2. Oil meal - Summary (tmt)

Marketing Year	1998	1999	2000	2001 forecast
Crush	570	625	650	520
Meal Production	456	510	515	434
Soy meal imports:	15	40	60	120
Of which from the U.S.	15	33	53	75
U.S. share %	100	82	88	63
Other meal	111	86	90	100

Source: MOA, Pricing and Supply Dept. figures

Consumption

The consumption of oil meal in CY2000 increased by 6 percent. This is explained by the higher production volumes of broilers which compensate for the reduction in egg production, and the higher share of concentrated feed for dairy cattle, induced by Israel's extended drought and shortage of roughage.

Israeli per-capita consumption of poultry meat rose in 2000 to 32 kg. Marketing studies, however, show that consumption has not reached its peak and there is still a significant potential for per-capita consumption growth up to 40 kg.

Derived demand for soybean meal as poultry production increases is: 500 mt of meal per 1,000 additional tons of broilers, 675 mt per 1,000 mt of turkeys and 270 mt per additional ten million eggs.

Based on the above figures, it can be estimated, that an annual 1 kg per capita change in poultry demand, taking into account the natural population growth of 2.5 percent per year, shall increase feed

millers' demand for soy meal by 3500 mt, equivalent to 4300 mt imported soybeans.

The three livestock sectors that are mainly responsible for the rising demand for feed are - broilers, turkeys and dairy cattle.

1. Broilers -

Broiler production in 1999 grew by about 10 percent. Production volume grew by 18 percent over the four years beginning 1997, 8 percent more than population growth for the same period:

Table 3. Annual Broiler Production '000 mt live weight

	Production	% change
1997	**233**	**0.1**
1998	**245**	**5.0**
1999	**270**	**10.2**
2000	**275**	**2.0**

Source: Agricultural Center

More broiler meat was produced and consumed with no major changes in stocks of frozen birds. It is still to be seen whether these additional quantities represent changes in consumption patterns or are temporary consumers' response to lower prices.

During the year 2000 the broiler industry embarked on a poultry branding campaign and financed intensive advertising for fresh, chilled and further processed products. As long as the industry invests in market development and sales promotion, the trend is likely to continue, increasing demand for added value products and raising total poultry consumption. In turn, this should raise the derived demand for feed and for soybean meal.

The last months of 2000 were marked by the global concern regarding BSE in beef, followed by the outbreak of foot and mouth disease in the first months of 2001. The demand for beef and its products partially shifted to poultry and turkey, enabling Israeli producers to increase their exports to Europe. Local consumption of beef was hardly affected by the BSE scare. Public awareness appears to be limited, perhaps because Israeli herds are free of BSE and, as most beef is imported from South America, the meat offered to the consumer is perceived to be BSE free. As FMD spread, however, Israel's veterinary services banned beef imports from all European and most Latin American sources. Israel's beef importers temporarily raised prices of frozen beef by 35-70 percent and the consumers responded by shifting partially to domestic fresh beef but mainly to poultry. Due to swift government intervention, prices returned to normal but the public's awareness of the effects of beef in their diet had been increased.

2. Turkeys

Production in 2000 was about 5 percent above 1999 figures but prices were depressed. In value terms, growers' revenues dropped by 6.8 percent, causing reductions in planned production for 2001.

3. Dairy Cattle

Israeli agriculture has suffered a severe drought in the past three years and irrigation quotas were cut significantly. This caused a critical shortage in most roughages. Using a higher share of mixed feed than usual compensated for at least part of the shortage and raised soybean meal consumption in the dairy sector.

4. Export and import of calves and poultry

Import of young calves for feeding and later slaughtering has grown, resulting in increased feed consumption. From a few thousand head prior to 1999, calf imports grew to between 80 and 100 thousand by 2000. Importation of live calves for fattening and finishing provides a partial solution to the kashrut problem related to slaughtering cattle abroad and importing frozen kosher beef. Export of dairy calves has continued in very limited numbers. Poultry exports, intended mainly for the kosher market in the US and Europe, are estimated at $4.0 million in 2000.

Trade

Exports

In the year 2000 no exports of oilseeds or feed were recorded. Approximately 15-20 percent of the mixed feed produced by Israel's main feedmills is sold to the Palestinian Authority, mainly for poultry, sheep and goats.

Imports

Oil meal imports can be expected to increase in the near future, due to the combination of the refusal of most crushers to produce Hi-Pro 48 percent soy meal and the reduction of the levy on protein meal imports. Two producers have shown interest in investing in equipment to produce the high-pro meal, but other crushers are loathe to make the required investments.

Table 4. Estimated Share of Soybean Meal in Total Feed Sales:

Year	Total Feed (tmt)	Soy meal consumption* tmt	Soymeal as % of total feed	Imported soymeal
1992	1,905	407	21.4	N.A
1993	1,910	413	21.6	7,140
1994	2,006	347	17.3	52,000
1995	2,042	406	19.9	14,000
1996	2,011	433	21.5	80,000
1997	2,007	498	24.8	32,000
1998	2,068	438	21.2	24,000

1999	2,222	556	25.0	51,000
2000	2,266	556	24.5	70,000
2001 (est.)	2,323	552	23.8	60,000

Source: MOA.
***Soybean meal availability is calculated as 80 percent of soybeans plus actual imported meal.**

Trade Policy

Domestic meal production is still protected by import levies. The meal imports, which prior to Israel's accession to the WTO had been restricted to U.S. sources, are now allowed from any source. In 1998, under pressure from the feed millers, the government reduced the levy on protein meals. In 1999, the Ministry of Trade and Industry announced a new set of tariffs for imported meals. Trade policy with regard to oilmeal tariffs is the result of a continuing battle between the feedmills, the livestock and poultry industry and the crushers. The latter contend that the special local conditions under which the government requires them to operate entitle them to protection in the form of a levy of between 6 and 9 percent. Table 5 indicates that the crushers are losing the battle.

Table 5. Tariffs on Imported Protein Meals:

	1999	**January 1, 2000**	**January 1, 2001**	**July 1, 2001**
Soy meal: (HS Custom Code: 2304.0000)				
From U.S.A	**7.8%**	**6.0%**	**4.5%**	**3.0%**
All other origins	**12.0%**	**9.5%**	**7.2%**	**5.0%**
Other meals: (HS Custom Code: 2305; 2306.0000)				
From U.S.A	**2.0%**	**2.0%**	**1.6%**	**1.4%**
All other origins	**6.0%**	**5.0%**	**3.6%**	**2.3%**

Source: Israel Customs Authority.

Implications for U.S. Exporters

The U.S. is the main reliable world supplier of 48 percent Hi Pro meal. As Israeli tariffs on imported soybean meal are reduced, soybean meal imports can be expected to displace some soybeans. Some of the crushers consider investments in state-of-the-art dehulling equipment for processing 48 percent high protein meal to be uneconomical. This unwillingness of Israeli crushers to produce 48 percent soybean meal, instead of 44 percent, makes them more vulnerable to imports of high protein meals and could eventually knock one or more of the three main concerns out of the market. Feedmill operators and especially poultry nutritionists prefer the 48 percent meal because of the added flexibility it offers in ration formulation.

The importance of quality and dependability of supply have been stressed above. In the course of the year 2000 Hi Pro soy meal shipments from the U.S. arrived with certificates indicating 48 percent protein. Feedmill analyses found a range of results, some of which were as low as 46 percent. U.S. exporters who cannot provide a consistently reliable product risk losing this sophisticated and demanding market and may tarnish the reputation of all U.S. protein meal exporters.

Vegetable Oils

PSD Table						
Country: Israel						
Commodity: Soybean Oil						
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	625	625	625	650	0	520
Extr. Rate	0.1328	0.168	0.136	0.1676923	ERR	0.1634615
Beginning Stocks	2	2	2	17	2	16
Production	83	105	85	109	0	85
MY Imports	18	13	18	5	0	8
MY Imp. from U.S.	3	6	3	1	0	1
MY Imp. from the EC	10	4	11	3	0	5
TOTAL SUPPLY	103	120	105	131	2	109

MY Exports	**0**	**0**	**0**	**0**	**0**	**0**
MY Exp. to the EC	**0**	**0**	**0**	**0**	**0**	**0**
Industrial Dom. Consum	**42**	**44**	**45**	**50**	**0**	**45**
Food Use Dom. Consump.	**58**	**58**	**57**	**60**	**0**	**55**
Feed Waste Dom.Consum.	**1**	**1**	**1**	**5**	**0**	**5**
Total Dom. Consumption	**101**	**103**	**103**	**115**	**0**	**105**
Ending Stocks	**2**	**17**	**2**	**16**	**2**	**4**
TOTAL DISTRIBUTION	**103**	**120**	**105**	**131**	**2**	**109**
Calendar Year Imports	**18**	**13**	**17**	**18**	**0**	**8**
Calendar Yr Imp. U.S.	**2**	**6**	**2**	**2**		**2**
Calendar Year Exports	**0**	**0**	**0**	**0**	**0**	**0**
Calndr Yr Exp. to U.S.	**0**	**0**	**0**	**0**	**0**	**0**

Production

Soy, rapeseed and sunflower oils are the three main oils produced in Israel. A small quantity of corn is also crushed locally. A variety of vegetable oils is imported as crude and refined domestically - both by the crushers and by large manufacturers of margarine, snacks and other foods.

Table 6. Vegetable Oil - Production and Trade '000 mt

Marketing Year	1999	2000	2001 forecast
Crush	**625**	**650**	**520**
Production: Soy-oil	**105**	**109**	**85**
Refining - Other oils	**27**	**29**	**30**
Oil imports - Refined	**49**	**50**	**40**
Total oil	**181**	**188**	**155**

Crushing Capacity

Annual crushing capacity in Israel is about 625 tmt of soybeans. The local crushing industry will always be at some disadvantage, mainly because of kosher restrictions which allow them to operate only 250-270 days per year. The introduction of new crushing facilities in the region (Egypt and Turkey) will represent a real threat to Israeli crushers. In the long run, some local processors might consider relocating their operations to the Palestinian Authority or to Jordan. There are already some Israeli manufacturers from the textile sector who moved part of their manufacturing facilities to Jordan in order to save labor expenses and be more competitive. The regional soybean users conference organized by the ASA and held annually, plays an important role in the promotion of possible regional cooperation of

that sort in the future. This could help maintain high levels of demand for U.S. beans by inducing substitution of inferior Indian products with products produced in the region from American soybeans.

Current crushing capacity is estimated as follows:

Table 7. Crushing Capacity by Plants in 2000

Plant	MT/Day	MT/Year
Teth-Beth	180	700
Shemen	205	800
Olivex	140	540
Solbar	100	400
Milomor	-	-
Total	625	2,440

Annual capacity is translated by multiplying daily capacity by about 260 operating days per year.

Teth-Beth: A family owned company, which previously had operated two soybean-crushing plants (1,000 mt/day). Now, they operate only one facility, and have reduced their total capacity by 30 percent, down to 700 mt/day.
Shemen: The largest soybean crusher in Israel. Listed on the Tel Aviv stock exchange, 25 percent of the company's stock is traded in the stock market..
Olivex: 75 percent of the company is family-owned and 25 percent is owned by ADM. The plant is located in an urban center, and in time the owners will definitely have to decide either to relocate or to close down. In 2000, the plant was idle for over two months due to renovations.
Solbar: ADM owns 52 percent of the company and the rest belongs to Kibbutz "Hatzor". In addition to animal feed it manufactures soy products for the food industry. It is the only crusher that produces Hi-Pro meals, utilizing the hulls in the production of a molasses mix.
Milomor: The plant is located in the north. In recent years it has concentrated mainly on a variety of vegetable oils. In 1999, they did not crush soybeans at all; their main products are rape and sun oil, refined from imported crude oil.

Consumption

Consumption of vegetable oils has increased rapidly in the last few years. This is explained mainly by the rapid growth of snack food production and by growth of the fast food sector. Soy oil sales

represent 74 percent of total vegetable oil consumption.

Prices

The crushers use the oil price to compensate for the lower price of protein meal dictated by direct importation by the feed millers. In the long-term, the price of soybean meals and oils is dictated by the price of soybeans on the Chicago Board of Trade; in the short-term component prices change according to market demands. Refined oil imports are minor since duty free imported soybeans for crushing are still cheaper than importing refined oil that pays a levy.

Table 8. Development of Soy Meal Prices (NS/mt ex-factory)

Month/Year	1996	1997	1998	1999	2000
January	890	1056	1077	794	832
February	945	1076	1051	761	840
March	1021	1140	983	738	840
April	1071	1217	927	720	850
May	1071	1258	905	745	850
June	1106	1312	819	765	850
July	1042	1271	828	770	850
August	1031	1200	822	793	840
September	1037	1110	807	853	840
October	1040	1119	873	879	850
November	1046	1122	858	848	850
December	1056	1099	812	841	850

Source: CBS, Price Statistics, Monthly. NS = new sheqel

Exchange Rate: $1 = NS 3.10 (1/96), 3.28 (1/97), 3.58 (1/98), 4.10 (1/99), 4.10 (1/00), 4.12 (12/00)

Table 9. Consumer Price of Soybean Oil NS per 1,000 cc

Month/Year	1996	1997	1998	1999	2000
January	5.51	5.23	5.68	7.08	6.40
February	5.55	5.66	5.91	7.15	6.32
March	5.72	5.21	6.07	7.05	6.40
April	5.55	5.24	6.17	7.55	6.45
May	5.50	5.20	6.15	7.49	6.43
June	5.50	5.15	6.43	7.43	6.40
July	5.40	5.19	6.37	6.60	6.38
August	5.96	5.26	6.43	6.44	6.04

September	**5.38**	**5.30**	**6.43**	**6.35**	**6.24**
October	**5.26**	**5.37**	**6.44**	**5.70**	**6.31**
November	**5.35**	**5.52**	**7.00**	**6.28**	**5.84**
December	**5.26**	**5.62**	**7.17**	**6.39**	**6.15**

Source: CBS, Price Statistics, Monthly. NS = new sheqel

Exchange Rate: $1 = NS, 3.10 (1/96), 3.28 (1/97), 3.58 (1/98), 4.10 (1/99), 4.1 (1/00) 4.12 (12/00)

Trade

Vegetable oil imports average upwards of 70 tmt per year. These are both crude in bulk and refined in consumer packaging. Most purchases are based on spot transactions in the international market and not on long term agreements.

Israel

Trade Matrix - Soybean Oil (1507.XXXX)

Units: '000 liters and $1,000

Country of Sale	1999 Value $'000	1999 Quantity '000 liter	2000 Quantity '000 Liter
U.S.A.	**4,01 3**	**5,653**	**510**
Other: Spain	**848**	**1,500**	
Greece	**1,117**	**1,714**	**4,066**
Netherlands	**1,231**	**1,958**	
Germany	**3**	**1**	
Argentina	**1,351**	**1,745**	
All Other	**656**	**1,080**	**187**
Total	**9,219**	**13,678**	**4,763**

Source: Central Bureau of Statistics. 2000 data is preliminary Value for 2000 is not yet available.

In the year 2000 soybean oil imports shrank by 60 percent. Purchases shifted from US and several EC suppliers almost exclusively to Greece.

Israel

Trade Matrix - Rapeseed Oil (1514.XXXX)

Units: mt

Country of Sale	2000
USA	0
Other: Germany	13,000

France	12,000
Netherlands	9,000
Total Other	34,000
All Other	5,304
Total	**39,304**

Trade Matrix - Corn Oil (1515.XXXX)
Units: '000 liters and $1,000

Country of Sale	**1999 Value $'000**	**2000 Quantity '000 liter**	**2000 Value $'000**
U.S.A.	**3,427**	**5,180**	**3,430**
Other: Turkey	**5,702**	**8,850**	**8,592**
Argentina	**540**	**0**	**0**
Cyprus	**644**	**0**	**0**
All Other	**818**	**1,770**	**852**
Total	**11,131**	**15,800**	**12,874**

Source: Central Bureau of Statistics. 2000 data is preliminary

Unit value calculated from individual country data on refined, edible oil.

Other Oils

Other oil imports in CY 2000 included palm oil in its various forms: $9.5million, mainly from Singapore and Malaysia, down from $9.8million in 1999. Rapeseed and sunflower oil remained stable at $3.1 million, of which $2.4 were of U.S. origin. Cotton oil imports total $2.3 million in 2000, Israel's main supplier of cotton seed oil was Greece.

Trade Policy

Local oil production is protected by import tariffs. According to the 1996 U.S.-Israel Agreement on

Food and Agriculture, in 1999 oils of U.S. origin enjoyed a 34 percent discount relative to the Most Favored Nation (MFN) tariff. In 2000 oils of U.S. origin enjoyed a 37 percent discount, rising to 40 percent in 2001. There are no non-tariff barriers on oil imports. Effective 1.1.2001 the MFN duty on oil of U.S. origin was 3 percent, and from all other sources 5 percent.

Table 10. Import Tariffs on Crude and Refined Vegetable Oil

Product	1999	2000	1/1-12/31 2001	forecast 1/2002
Soy, Rapeseed, Sunflower – from U.S.A	5.94	4.2	3	1.8
All other origins	9.0	7.0	5.0	3.0

Source: Israel Customs Authority.